

The partisan divisions between members of the Orange County congressional delegation about sensible gun regulations presented by President Obama were highlighted by the Orange County Register yesterday. With that focus, the Register missed an important example that when they put their minds to it, there is room for agreement between republicans and democrats representing Orange County. The news of this cooperation came through a joint press release we received from the offices of Congresswoman Loretta Sanchez and Congressmen Ed Royce and **John Campbell**.

SANCHEZ, ALONGSIDE REPS. CAMPBELL AND ROYCE, RE-INTRODUCES LEGISLATION TO ALLOW REVISIONS TO ORANGE COUNTY PENSION STRUCTURE

OC MEMBERS LEAD PUSH FOR INNOVATIVE SOLUTION TO PENSION PROBLEM

WASHINGTON, D.C.— In the first week of the 113th Congress, Congresswoman Loretta Sanchez (CA-46) re-introduced legislation to allow for the implementation of an employee pension plan that will address the rising costs of government pensions in Orange County, a growing problem that many local governments are facing across the country.

Rep. John Campbell (CA-45) and Rep. Ed Royce (CA-39) are lending strong support to the bill through co-sponsorship. The bill, H.R. 205, would revise IRS Ruling 2006-43 with an amendment clarifying authority for public agencies so these local governments can propose and implement this innovative and viable solution to the pension problem.

The bill was introduced last Congress but it was not brought to the floor and Congress never voted on it.

“I urge House leadership to prioritize this bill in the 113th Congress,” said Sanchez. “The pension problem is a national crisis that we must solve. I believe the pension plan proposed by Orange County will provide our county and state governments with better financial stability and will be a model nationally. Pension systems nationwide need to be reformed and stabilized, before the retirements of our seniors are put in jeopardy.”

“The federal government should not be standing in the way of states, cities and counties that are attempting to take the initiative in solving their own deficit problems,” said Campbell

“Orange County has shown the will and resolve to reform their government pension plans in order to make them financially sound. Washington should be applauding this action, not blocking it.”

“I am pleased to support Orange County in its efforts to address its pension needs. As state and local governments wrestle with underfunded public pensions, this legislation can provide them with a template for a viable alternative,” said Royce.

Orange County has developed a smart solution to the pension problem, a hybrid plan which Reps. Sanchez, Campbell, and Royce support and they are strongly urging Treasury Secretary Timothy Geithner to expedite its review by the Internal Revenue Service. The new plan provides a lower defined benefit which the County would offer in conjunction with participation in a defined contribution plan with an employer matching element.

The hybrid plan was proposed by the County of Orange and the Orange County Employees Associations (OCEA) as a novel and viable solution to the pension problems plaguing California’s finances. It has been endorsed by Democrats and Republicans alike, including former Gov. Arnold Schwarzenegger, but has stalled at implementation because of questions regarding the tax implications thousands of employees would face after these changes.

County and union representatives have met with IRS and Department of Treasury staff for the past two years regarding this issue but Treasury staff has been unable to provide even a time frame for issuing guidance on this impediment. As Treasury cannot agree to issue guidance, a legislative solution is necessary.